



## State Revolving Fund Loan Program an Indiana Finance Authority Environmental Program

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### MEMORANDUM

TO: Project File, City of Hobart, Hobart Sewer Improvements,  
SRF Project # WW 12451401

FROM: Richard J. Ziemba

DATE: February 5, 2013 (Final)

RE: Green Project Reserve, Business Case

#### Summary

1. The Hobart Sewer Improvements was approved on October 15, 2012, consists of the construction of approximately 8,920 feet of 12-inch to 42-inch storm sewer and approximately 3,600 feet of 6-inch service laterals in the South Joliet Street and South Mundell areas of Hobart. These areas experience storm water entering the existing sanitary sewer system through infiltration /inflow (I/I) sources. The project will reduce sanitary sewer overflows and reduce I/I from the sanitary sewer system. These sewer improvements were considered under the energy efficiency category. GPR descriptions and a business case was developed and presented by Butler, Fairman and Seufert, consulting engineers for the City in the appendices of the preliminary engineering report (PER). The business case was fully developed after the project was bid.
2. Construction of storm sewers in the above areas was necessary to reduce storm water from entering the existing sanitary sewers in these areas. Storm sewers in the areas were non-existent and therefore the existing sanitary sewers were acting as a combined sewer system during rainfall events. I/I removal was estimated to be approximately 43 million gallons per year that entered the sanitary sewers in these areas. The city sends all of wastewater flow to be treated at the wastewater treatment facilities operated by the Gary Sanitary District. The cost per gallon of wastewater treated charged to Hobart by the Gary Sanitary District is \$9,000 per million gallons. The GPR components for the project include the storm sewer installation, manholes and structures. The cost reduction related to this I/I removal for Hobart would be \$387,000 per year. The actual as-bid cost for the installation of the storm sewer, manholes and structures is 895,550. The total payback period for these GPR components is 2.3 years which is less than the 30 year design life cycle of these components.
3. **The total as-bid GPR for energy efficiency is \$895,555. Hobart closed on a SRF loan on November 7, 2012 in the amount of \$4,136,000.**

#### Conclusions

1. The business cases were reviewed by internal staff and found to be in accordance with meeting the GPR requirements for the energy efficiency category.